



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: May 27, 2003

THE WEEK AHEAD

NAFSA Association of International Educators: This week, FSA representatives are attending the 55th annual conference of NAFSA, Association of International Educators in Salt Lake City, Utah. The theme for this year's conference is "Reaching New Heights in International Education", and more than 5,000 international educators from more than 100 countries plan to participate in this year's conference. Department personnel will meet with school representatives from Title IV eligible foreign institutions, demonstrate the electronic application, and assist the foreign school representatives with specific Title IV issues.

OPERATIONAL METRICS

Application Activities through May 18, 2003: The Central Processing System (CPS) has processed 6,656,281 applications for the 2003-2004 cycle, a 6.5% increase over the 2002-2003 cycle.

1-800-4-FED-AID through May 17, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 3,587,208 calls, a 2.7% increase over last year. Service levels have increased with 98.6% of calls completed, a 6.1% increase over last year and the average speed to answer reduced by 73.3% to 12 seconds.

Total FSA Default Recoveries through May 23, 2003: Total FSA default recoveries for the fiscal year reached \$1.049 Billion, up 16% year-to-date. Total non-consolidation recoveries reached \$854.5 million, up 31% year to date. Combined recoveries from our private collection agency efforts reached \$629.9 million, up 25% year-to-date.

FSA IN THE FIELD

FSA to Address Native American Students: FSA representatives are invited to speak to the National Native American Youth Initiative, a 9-day trip to Washington, DC for Native American students aged 16-18 interested in health-related careers. The event is sponsored by the Association of American Indian Physicians.

Region V Private Career Colleges and Schools Workshop: On May 21-23, FSA's Chicago Case Management Team co-hosted the Region V Private Career Colleges & Schools Workshop in Bloomingdale, Illinois. The workshop provided schools in attendance with information on Federal financial aid programs.

GAO Exit Conference -- IRS Data Sharing: An exit conference was held on May 21, to review: 1) how selected federal agencies share and verify taxpayer information from the IRS; 2) how the IRS uses information received from federal agencies to ensure that taxpayers are meeting their obligations; and 3) what opportunities exist for improving program performance by sharing and verifying data from the IRS. FSA anticipates receiving a draft report for comment the first week of June with the final report scheduled to be published by June 30.

KEY ISSUES

Common Services for Borrowers (CSB) Procurement: The Department of Education has completed Phase I of FSA's CSB procurement. ACS Education Solutions, AT&T Government Solutions, and Sallie Mae, Inc. were selected to submit proposals under Phase II. The Office of Contracts and Purchasing Operations issued the CSB Phase II solicitation on May 21, 2003 via FedBizOpps. Proposals are due by 4 PM, June 23, 2003. Proposals will only be accepted from the three offerors listed above. However, others, especially small businesses, are encouraged to contact the three prime contract offerors about subcontracting opportunities.

Loan Consolidation Benefits: FSA, working with OPA, issued a press release last week regarding the pending interest rate change, its impact on the Department's Direct Consolidation Loan Program, and the benefits to borrowers.

2004-2005 FAFSA

The comment period for the draft 2004-2005 Free Application for Federal Student Aid (FAFSA) ended on May 5. Based on comments provided, the FAFSA has been revised and is now in management review, prior to release for Department-wide review.

Sallie Mae Monthly Payment Error: FSA and Sallie Mae continue to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 800,000 borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG are working to determine the scope of the problem and will identify appropriate remedies and policy implications.

Voluntary Flexible Agreements (VFA): FSA is conducting an internal review of the draft Voluntary Flexible Agreement (VFA) Report to Congress. VFA's replace the standard agency agreement for selected guarantors that develop innovative methods for delinquency and default prevention. Upon final FSA approval, the report will be released for Department-wide review the week of May 27 and is tentatively scheduled for delivery to Congress on May 31.

Weekly Report to Secretary Paige
May 27, 2003

ON THE HORIZON

Regional Office Visits: Terri Shaw is scheduled to visit FSA's Denver regional office on June 10, and the Seattle regional office on June 11. Since March, Terri has visited the Kansas City, Atlanta, Boston, New York, Philadelphia, San Francisco, and Chicago regional offices to meet with FSA staff.

Community Partnership, HBCU Training: ED, FSA, the White House Initiative on Historically Black Colleges and Universities (HBCUs), and the National Association for Equal Opportunity in Education announced this week that they will be jointly sponsoring nine two-day workshops around the country during June and July. The workshops will provide training and technical assistance to financial aid and business office staff members at HBCUs. Topics to be addressed include verification; reconciliation and best practices, untangling the web, return of Title IV funds, and satisfactory academic progress.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.